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IN THE

Supreme Court of the United States

November Term, 1940

No. 593

WILLIAM GILLMAN, JACK GILLMAN, and LASZLO WENCZEL, etc.,

Respondents,

—vs—

WILLIAM STERN,

Petitioner.

PETITION OF WILLIAM STERN FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF

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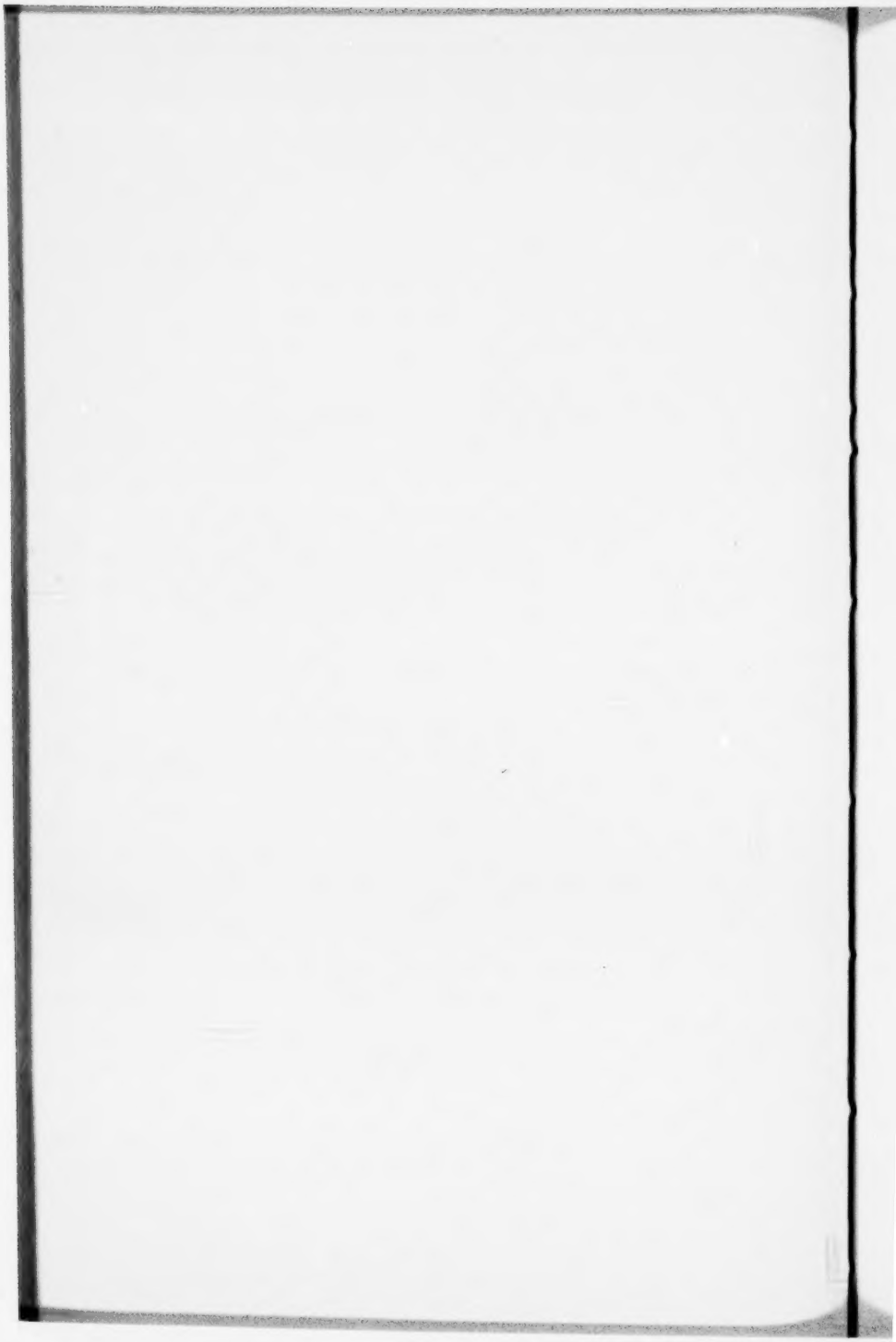

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IN THE

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No.

WILLIAM GILLMAN, JACK GILLMAN, and
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—*vs*—

WILLIAM STERN,

Petitioner.

PETITION OF WILLIAM STERN FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

To the Honorable, The Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, WILLIAM STERN, respectfully prays for a Writ of Certiorari to the Circuit Court of Appeals for the Second Circuit, to review the Judgment of that Court, entered on August 24, 1940. A transcript of the Record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with the Rules of this Court.

Summary and Short Statement of the Matter Involved.

(1) Letters Patent No. 1,919,674 in suit, for an improvement in what is known in the dress embroidery trade as a "puffing machine," were issued on an application by

LASZLO WENCZEL, who assigned, before issue, to STERLING AIRBRUSH CO., which consisted of WENCZEL and WILLIAM GILLMAN, Plaintiffs.

(2) The suit patent never, before this suit, had been adjudicated, although, in a few previous actions in which no answers were even filed, consent decrees, waiving all damages, profits or costs, were entered.

(3) This suit was instituted in the Southern District of New York against a number of defendants, but Defendant, WILLIAM STERN, the only one who of record was served, is the only one ever actively to contest validity or charges of infringement of the suit patent, or the right of Plaintiffs to bring any action.

(4) Long prior to WENCZEL'S application filing date, HANS HAAS made machines, which functioned identically as the machine of the suit patent, and had structures either identically the same as or encompassed by the suit patent claims.

(5) Plaintiffs are concluded by the application filing date.

(6) HAAS has used his machines since long before the application, and continuously to the present time.

(7) HAAS has had employees using the machines since long before the application filing date, has shown the machines to persons in whom he tried to create an interest for their exploitation, and has used these machines commercially in his plant in the presence of these persons.

(8) It was not denied, and, in fact, curiously enough, one of the arguments presented by Plaintiffs before the Circuit

Court of Appeals for patentability to WENCZEL was, that, long before WENCZEL'S application filing date, HAAS, not WENCZEL, had the field of use of these machines entirely to himself, and, through persons who used the products of his machines, benefited from a virtual monopoly until Plaintiffs' machines came into use.

(9) Prior to the application filing date, others sought to ascertain the construction of, and to duplicate, the HAAS machines.

(10) At the time a certain RETHY was experimenting in view of the known use of the HAAS machines, Plaintiffs, WILLIAM GILLMAN and LASZLO WENCZEL, were employed by RETHY.

(11) HAAS had knowledge of and experience with paint spraying machine or air-brushes, and directly connects his machines with the known structures of these air-brushes.

(12) Prior art patents show air-brushes and similar devices, which, in every detail, are the structures of the suit patent claims.

(13) During their employment by RETHY, Plaintiffs, WILLIAM GILLMAN and LASZLO WENCZEL, also worked upon air-brushes.

(14) Plaintiffs make no denials of this relationship to RETHY, or knowledge of the HAAS machine, or direct contact with the RETHY developments.

(15) WILLIAM GILLMAN, Plaintiff, testified that certain parts of the machine manufactured under the suit patent must assume a definite relationship to each other in order to effect the puffing function for which the machine

was designed, and, furthermore, that air must and does flow backwardly through a certain part called the thread guide when the machine functions for puffing. But the suit patent itself states directly the contrary, requiring that the parts of the machine be arranged in a wholly different relationship, one in which, by the admission of GILLMAN, the machine will not puff. The suit patent fails to say anything at all about the specific relationship of parts required by GILLMAN for an operative structure. Furthermore, the suit patent specifically requires that the arrangement of the machine parts in the patent is to prevent air from flowing backwardly through the thread guide.

(16) The structures of the prior patent art machines, and the structure of the machine of the suit patent insofar as it is described, function identically to suck material into the machine and then to blast that material out of the machine. Whether sand, or paint, or thread be used, the machine functions identically the same; the suit patent fails to teach any details of construction, or any relationship of parts or use different from the arrangement of parts of the prior patent art, and the uses are entirely analogous.

(17) During prosecution of the application, Plaintiffs acquiesced in a rejection of claims directed to a puffing machine upon a reference for a device for blasting asbestos by means of air into the space between wall partitions, and, after vigorous prosecution, cancelled the claims; now they urge that their machine is non-analogous to devices for blasting sand, paint and such substances which certainly are analogous to asbestos.

(18) Plaintiffs deliberately made completely false statements in regard to the suit patent in order to interfere with the business of selling or using puffing machines, including the business of Defendant.

(19) The false statements concerned decrees of Court.

(20) These false statements, in fact, inferred that the Supreme Court of the United States had passed upon this suit patent and had granted rights and powers to Plaintiffs in connection with that patent.

(21) Plaintiffs stated specifically that the Court,—not specifying the Court in the same sentence, but referring specifically to the Supreme Court of the United States in that statement, and only the Supreme Court,—had given Plaintiffs the right to CONFISCATE and DESTROY (with similar emphasis in the statement) machines held to be infringements, and had given Plaintiffs the right to recover damages and profits, costs and disbursements.

(22) The only decrees Plaintiffs ever had obtained were consent decrees; Plaintiffs never asked for, the decrees never granted, the right or power to confiscate and destroy machines; in fact, to obtain those decrees, Plaintiffs waived all profits, damages, costs, and disbursements.

Opinions of the Courts Below.

(1) The opinion of the District Court (Judge John W. Clancy) is in the form of findings of fact and conclusions of law, was filed February 8, 1940, may be found at page 299 of the Record, and is reported at 44 USPQ 496.

(2) The opinion of the Circuit Court of Appeals (Judges Learned Hand, Augustus N. Hand and Chase, Judge Learned Hand writing) was filed August 5, 1940, may be found at page of the Record, and was reported at 114 Fed. (2d) 28 and 46 USPQ 430.

(3) The District Court held the suit patent invalid because of the HAAS prior knowledge and use.

(4) The District Court did not comment upon the prior art patents.

(5) The District Court made no finding upon the incomplete, misleading and inaccurate disclosure of the suit patent, and upon the fact that the disclosure was exactly opposite from the actual construction and use of the machine.

(6) The District Court, observing the conduct of Plaintiffs both from the evidence and on the witness stand, found Plaintiffs to have circulated extensively circulars and cards which were clearly false and misleading and were given this character deliberately and intentionally by Plaintiff, WILLIAM GILLMAN, which was an abuse of such a character as to merit severe treatment by the Court, and not entitled to any relief.

(7) The District Court held, because Defendant failed to give any evidence regarding obtaining legal counsel before he manufactured machines, he also came into Court with unclean hands, and, therefore, was entitled to no relief against the unfair competition of Plaintiffs, and to no costs, but did not consider that Defendant could not have infringed an invalid patent.

(8) The Circuit Court of Appeals reversed the District Court, holding that the HAAS knowledge and use were not public.

(9) The Circuit Court of Appeals reached a conclusion that, even though the suit patent instructed otherwise, and instructed in a manner by which Plaintiffs admitted the result could not be attained, still the suit patent was operative.

(10) The Circuit Court of Appeals said the prior art patents were not applicable, but did not consider that HAAS

derived his machines from his knowledge of those prior art machines, and that LASZLO WENCZEL, the patentee, also had had direct contact with machines from that same specific prior art long before he filed his application.

(11) The Circuit Court of Appeals found patentable the discovery of a new use for an old prior patent art structure, without being able to point out in a single phase wherein any change had been made in the structures of the prior art patents to derive the structure of the claims of the suit patent. The Circuit Court of Appeals said, in this connection, that the devices of the prior art "always worked by suction. As we have said, WENCZEL'S 'puffer' did so too for as long as the end of the 'tube 40' was telescoped within the inner end of the needle; but not after it was withdrawn, *as it had to be for 'puffing.'*" Yet the patent does not show, and the Circuit Court of Appeals does not point out in the patent any requirement, that the parts should ever be withdrawn from the telescoped relation into this critical relation where the parts are separated. The claims specify nothing to adapt the structures only for thread as against paint, or demonstrate no solution of a problem by the patentee in converting an air-brush to a puffing machine, and this after it had to be admitted that HAAS was known in the trade to have been using air pressure, and an air stream, and a needle, for forcing thread into a pocket.

(12) The Circuit Court of Appeals said that Plaintiffs made untrue statements regarding decisions of Court bearing on the suit patent so as to "give to laymen the impression of a judicial countenance of the invention which the facts did not warrant," but still held the defense of unclean hands a "scurvy" defense, despite the ancient and accepted character of the rule, from the English courts of chancery to the rule obtaining in many decisions of this Court, that he who comes into court seeking equity must come with clean

hands and not himself be guilty of unconscionable conduct such as false representations regarding the matter in issue, and especially false representations touching upon decisions of the courts in that connection.

The Questions Presented.

(1) Can a patentee, in his patent, instruct how to do something, lay down essential requirements how that something be done, and, despite admitted fatal fallacy and description inoperative for the purposes enumerated in the patent, be sustained in a monopoly for that which he did not describe or require?

(2) Is it non-analogous use to blow thread through a machine that blows sand or paint, where no change whatsoever is even made in the structure of the prior patent art machine to adapt the machine for that purpose?

(3) Is there non-analogous use where, during prosecution of the application, the patentee himself, after vigorous protest, acquiesced in, and cancelled claims in response to, rejection where the whole essence of the rejection was just that the analogy between use of material such as sand or asbestos and thread?

(4) Is an admitted use, commenced long prior to any date upon which the patentee relies, seen by many parties and known generally in the trade, extensive, and continuing even at the date of the trial, to be held no bar to a patent merely because the user did not show his machine to every Tom, Dick and Harry, and especially did not show it or tell of it to his competitors, including Plaintiffs?

(5) Is the rule of *Macbeth-Evans Glass Co.* v. *General Electric Company,* 246 Fed. 695, certiorari denied 246 U. S.

659, that a use known to more than one person, extensive and in great industrial use, a bar to a patent regardless of safeguards by the user to keep information from his competitors, to be discarded for this case?

(6) Is the ancient doctrine of necessary equitable conduct on the part of a plaintiff as a suitor in a court of equity to be discarded completely, and are plaintiffs to be countenanced in a court of equity even when they have made active, unequivocal misrepresentations regarding decrees of Court bearing on the suit patent?

(7) Is Defendant who succeeds in establishing the invalidity of the suit patent, and acts of unfair dealing by Plaintiffs with such patent, to the injury of the business of Defendant, to be denied his costs and his injunction and accounting for damages, merely because he might have infringed if there had been a patent to infringe?

Reasons Relied Upon for the Grant of a Writ of Certiorari.

The discretionary power of this Court is invoked upon the following grounds:

(1) Because the Circuit Court of Appeals has held the patent valid because of something which is not in the patent, and, in fact, which cannot even be inferred into the patent because it would be directly contrary to the express terms of the patent, and, under these circumstances, the holding of the Circuit Court of Appeals is directly opposite to the decisions of this Court in *Stelos Co.* v. *Hosiery Motor-Mend Corp., et al.*, 295 U. S. 237; *Ball & Socket Co.* v. *Kraetzer*, 150 U. S. 111; and many others.

(2) Because the Circuit Court of Appeals has overruled the District Court's finding that knowledge and use of the

alleged invention of long duration and continuing even at the time of the trial was anticipation of the suit patent, because of restrictions interposed against general promulgation of the knowledge and use, despite a statement of the District Court of "the suspicion attaching even to the WENCZEL claim to invention of the patent in suit apparent from the facts found," where the facts found were that, long before the application date and while Plaintiffs were employed by RETHY, the knowledge of the HAAS machine was brought to the employer of Plaintiffs, and that thereafter the Plaintiffs separated from their employer, where the holding of the Circuit Court would be directly in conflict with *Macbeth-Evans Glass Co.* v. *General Electric Company*, 246 Fed. 695, certiorari denied 246 U. S. 659, and *E. W. Bliss Co.* v. *Southern Can Co.*, 251 Fed. 903, and, therefore, requires decision by this Court.

(3) Because of the directly opposite conclusions reached by the District Court and the Circuit Court of Appeals on the question of prior knowledge and use, and unclean hands.

(4) Because the Circuit Court of Appeals has, by its holding, given a monopoly to a patentee who, by the undisturbed findings of fact of the District Court, had been in direct contact with results of the work of one accredited with prior knowledge and use, and thus has given a power to harass the one having the prior knowledge as well as large number of people, already threatened, as in *Carbice Corp. of America* v. *American Patents Development Corp., et al.*, 283 U. S. 420, 421, and *Altoona Publix Theatres, Inc.* v. *American Tri-Ergon Corp., et al.*, 293 U. S. 528.

(5) Because the Circuit Court of Appeals has announced a new doctrine for monopoly for a newly selected use for an old appliance, even where no change is made in the appliance to adapt it for the new use, and where function, operation

and result of the apparatus remain the same in the new relationship, and this in direct opposition to many decisions of this Court.

(6) Because the Circuit Court of Appeals found the alleged new use to be non-analogous to the uses of the patent art, and ignored the evidence that the patentee had acquiesced as to the analogy of arts when his application was pending in the Patent Office.

(7) Because the Circuit Court of Appeals has discarded the doctrine of clean hands for a suitor in equity, particularly with regard to truthful representations of the subject matter of the suit, in direct contravention of the decisions of this Court in *Worden* v. *Fig Syrup Co.*, 187 U. S. 516, *Manhattan Medicine Co.* v. *Wood*, 108 U. S. 218, the decision of that same Circuit Court of Appeals in *Art Metal Works, Inc.* v. *Abraham & Straus, Inc.*, 70 Fed. (2d) 641, and many other cases.

WHEREFORE your Petitioner respectfully prays that a Writ of Certiorari be issued, under the Seal of this Court, directed to the United States Circuit Court of Appeals for the Second Circuit, commanding said Court to certify and send to this Court, on a date to be designated, a full and complete transcript of the Record and all proceedings of the Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Court; that the judgment of the Circuit Court of Appeals be reversed; and that Petitioner be granted such other and further relief as may seem proper.

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